

State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1363

03/02/2015 Authored by Franson and Davids  
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to taxation; tobacco; modifying the sale of cigarette stamps; amending  
1.3 Minnesota Statutes 2014, sections 297F.08, subdivisions 5, 7, 8; 297F.09,  
1.4 subdivision 1.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2014, section 297F.08, subdivision 5, is amended to read:

1.7 Subd. 5. **Deposit of proceeds.** The commissioner shall use the amounts  
1.8 appropriated by law to purchase stamps for resale. ~~The commissioner shall charge the~~  
1.9 ~~purchasers for the costs of the stamps along with the tax value plus shipping costs. The~~  
1.10 ~~costs recovered along with shipping costs must be deposited into the general fund.~~

1.11 **EFFECTIVE DATE.** This section is effective for sales of stamps made after June  
1.12 30, 2015.

1.13 Sec. 2. Minnesota Statutes 2014, section 297F.08, subdivision 7, is amended to read:

1.14 Subd. 7. **Price of stamps.** The commissioner shall sell stamps to any person  
1.15 licensed as a distributor at a discount of 0.45 percent from the face amount of the stamps  
1.16 purchased in any fiscal year, except that such discount shall not apply to that portion of the  
1.17 face amount of the stamps representing the cigarette sales tax as imposed under section  
1.18 297F.25. The commissioner shall not sell stamps to any other person. The commissioner  
1.19 may prescribe the method of shipment of the stamps to the distributor as well as the  
1.20 quantities of stamps purchased.

1.21 **EFFECTIVE DATE.** This section is effective for sales of stamps made after June  
1.22 30, 2015.

2.1 Sec. 3. Minnesota Statutes 2014, section 297F.08, subdivision 8, is amended to read:

2.2 Subd. 8. **Sale of stamps.** The commissioner may sell stamps on a credit basis under  
2.3 conditions prescribed by the commissioner. The commissioner shall sell the stamps at a  
2.4 price which includes the tax after giving effect to the discount provided in subdivision  
2.5 7. ~~The commissioner shall recover the actual costs of the stamps from the distributor.~~  
2.6 The commissioner shall annually establish the maximum amount of stamps that may  
2.7 be purchased each month.

2.8 **EFFECTIVE DATE.** This section is effective for sales of stamps made after June  
2.9 30, 2015.

2.10 Sec. 4. Minnesota Statutes 2014, section 297F.09, subdivision 1, is amended to read:

2.11 Subdivision 1. **Monthly return; cigarette distributor.** On or before the 18th day of  
2.12 each calendar month, a distributor with a place of business in this state shall file a return  
2.13 with the commissioner showing the quantity of cigarettes manufactured or brought in  
2.14 from outside the state or purchased during the preceding calendar month and the quantity  
2.15 of cigarettes sold or otherwise disposed of in this state and outside this state during that  
2.16 month. A licensed distributor outside this state shall in like manner file a return showing the  
2.17 quantity of cigarettes shipped or transported into this state during the preceding calendar  
2.18 month. Returns must be made in the form and manner prescribed by the commissioner  
2.19 and must contain any other information required by the commissioner. The return must be  
2.20 accompanied by a remittance for the full unpaid tax liability shown by it less 0.45 percent of  
2.21 the liability on the face amount of the stamps purchased, excluding that portion of the face  
2.22 amount of the stamps representing the cigarette sales tax as imposed under section 297F.25,  
2.23 as compensation to reimburse the distributor for expenses incurred in the administration  
2.24 of this chapter. For distributors subject to the accelerated tax payment requirements in  
2.25 subdivision 10, the return for the May liability is due two business days before June 30th  
2.26 of the year and the return for the June liability is due on or before August 18th of the year.

2.27 **EFFECTIVE DATE.** This section is effective for sales of stamps made after June  
2.28 30, 2015.